

VZCZCXYZ0004
PP RUEHWEB

DE RUEHKKG #1317/01 2431435
ZNY CCCCC ZZH
P 311435Z AUG 07
FM AMEMBASSY KINGSTON
TO RUEHC/SECSTATE WASHDC PRIORITY 5275
INFO RUMIAAA/HQ USSOUTHCOM MIAMI FL

C O N F I D E N T I A L KINGSTON 001317

SIPDIS

SIPDIS

DEPT PASS TO EC CARICOM COLLECTIVE

DEPT ALSO PASS TO CENTRAL AMERICAN CARIBBEAN BASIN COLLECTIVE

STATE FOR WHA/CAR (JOE TILGHMAN)

E.O. 12958: DECL: 08/30/2016

TAGS: PREL PGOV ASEC PINR ECON SOCI EFIN KCOR JM XL

SUBJECT: JAMAICA: KEY FIGURES PREDICT OPPOSITION LABOUR
PARTY TO WIN SEPTEMBER 3 ELECTION; LATEST OPINION POLL
RESULTS BEAR THEM OUT

REF: A. KINGSTON 1288 (232000Z AUG 07)

1B. KINGSTON 1193 (021929Z AUG 07)
1C. KINGSTON 1301 (291156Z AUG 07)

Classified By: Charge' James T. Heg, reasons 1.4 (b) and (d)

Summary

1.(C) Bruce Golding's Jamaica Labour Party (JLP) is poised to defeat Prime Minister (PM) Portia Simpson Miller (PSM)'s ruling People's National Party (PNP) in elections on September 3, thus regaining power after 18 years in Opposition, according to both a key veteran JLP Senator and one of the country's most respected economic analysts and editorialists. Presciently, the latter predicted a forthcoming opinion poll would show the JLP ahead, and was vindicated on August 30, when a survey published by the "Jamaica Gleaner" newspaper showed the Opposition party had opened up a 4-point lead in the fiercely contested race (septel). End Summary.

Senior Opposition JLP Senator confident of victory, but not complacent

2.(C) Over a private luncheon with PolOff on August 28, the Opposition Jamaica Labour Party (JLP)'s business spokesperson, Senator Anthony Johnson, a veteran political operative and key advisor in the Party's campaign for national elections to be held September 3, made the following observations:

(A) The JLP now was convinced it had "sewn up" 34 of Jamaica's 60 parliamentary constituencies, and had a chance of victory in 12 others. The election thus would yield a JLP government with anything from a narrow (34) to very strong (46) majority in Parliament.

(B) While he saw little chance that Prime Minister (PM) Portia Simpson Miller (PSM)'s ruling People's National Party (PNP) could regain momentum in the final days of the campaign, the Opposition could not afford complacency. He recalled all too well that, in the three previous consecutive elections, the JLP had run effective campaigns and been confident of victories, only to have the PNP surge ahead in the home stretches.

(C) In his view, the risk of violence had grown in recent

weeks. The PNP now recognized that momentum favored the Opposition; after 18 years in power, the ruling Party's grass-roots supporters and rogue elements faced an imminent loss of perks and privileges. Particularly in marginal PNP constituencies which the JLP might capture, outbreaks of post-election violence were likely.

(D) In the aftermath of Hurricane Dean (Reftel A), the JLP had adjusted its campaign effort to focus on smaller groups which may have suffered damages or losses. He believed this strategy had been effective.

(E) Pervasive corruption had been a problem in Jamaica for many years, but had yet to resonate with the electorate as a high priority; therefore, the JLP's campaign had not dwelt upon it. However, once in power, Golding would do his utmost to clean up crooked contracting and other government abuses.

Respected economist believes JLP has held the lead for over a month

3.(C) Respected economic analyst, editorialist, and leading figure in the Jamaica Chamber of Commerce and Private Sector of Jamaica (PSOJ) Keith Collister shared his views with PolOff over lunch the next day. Collister began by predicting that, in the upcoming election, the JLP would capture 37-40 seats. Momentum definitely had shifted in the Opposition's favor, and this shift actually had occurred several months ago. He doubted the objectivity and impartiality of recent polls showing the two parties in a statistical dead heat, and was convinced the JLP enjoyed a solid lead. He expected the next Stone poll, scheduled to appear in the "Jamaica Gleaner" on August 30, to reveal that the JLP had gained further ground: in order to retain their

credibility, the pollsters had a vested interest in ensuring that their final surveys before Election Day were as accurate as possible.

5.(C) Even as we spoke, Collister received cellular phone calls from economist and editorialist John Rapley and from PSOJ Chairman Chris Zacca asking whether, through his editorial connections with the "Gleaner," he might have any inside information regarding the Stone poll to be released the next day; Collister replied that he had no inside information, but nevertheless had little doubt the new survey would reflect a further strengthening of JLP support.

JLP's Plans for Economy

6.(C) In other areas, Collister made the following observations:

(A) The JLP manifesto's economic proposals for deficit reduction, debt realignment, increased foreign investment, and full independence for the Bank of Jamaica to set monetary policy (reftels B,C) were right on target.

(B) He was very concerned about the long-term effects of "CashPlus" and other Ponzi schemes operating in Jamaica. Thousands of lower income people were being lured into investing their meager savings. When, inevitably, this scam eventually collapsed, widespread unrest could ensue; the risk of violence would be even greater than on Election Day.

(C) The potential collapse of such Ponzi scams, together with a slowing U.S. economy and diminishing growth in remittances to Jamaica, made the economic outlook very doubtful. He expected continued pressure on the Jamaican dollar.

(D) He was a proponent, and indeed among the architects, of plans to establish an international financial services center as part of the restoration of Kingston's waterfront. Jamaica's international center would be modeled on that of

Ireland, and well-regulated; the JLP had no intention of
setting up a shady offshore sector.

HEG